



COUNTY OF LOS ANGELES

DEPARTMENT OF PUBLIC WORKS

"To Enrich Lives Through Effective and Caring Service"

900 SOUTH FREMONT AVENUE
ALHAMBRA, CALIFORNIA 91803-1331
Telephone: (626) 458-5100
<http://dpw.lacounty.gov>

GAIL FARBER, Director

ADDRESS ALL CORRESPONDENCE TO:
P.O. BOX 1460
ALHAMBRA, CALIFORNIA 91802-1460

June 04, 2013

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Supervisors:

ADOPTED

BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

66 June 4, 2013

Sachi A. Hamai
SACHI A. HAMAI
EXECUTIVE OFFICER

LANCASTER LANDFILL AND RECYCLING CENTER SECURED INDEMNIFICATION AGREEMENT (SUPERVISORIAL DISTRICT 5) (3 VOTES)

SUBJECT

This action is to approve the Indemnification Agreement for the Lancaster Landfill and Recycling Center; direct the Chairman to execute the agreement; and delegate authority to the Director of Public Works or her designee to accept annual renewal of the letter of credit or other security as she determines is in the best interest of the County.

IT IS RECOMMENDED THAT THE BOARD:

1. Approve the Secured Indemnification Agreement between the County of Los Angeles and Waste Management of California, Inc., for the Lancaster Landfill and Recycling Center and direct the Chairman to execute the Agreement.
2. Delegate authority to the Director of Public Works or her designee to accept annual renewal of the letter of credit or other security as she determines is in the best interest of the County.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

On December 14, 2011, the Regional Planning Commission approved Conditional Use Permit (CUP) No. 03-170-(5) for the Lancaster Landfill and Recycling Center within the unincorporated area of the County. Exhibit B, the Implementation and Monitoring Program, of the CUP requires the execution of a Secured Indemnification Agreement (enclosed).

The Agreement will indemnify the County for any damages to public property that may result from Waste Management of California, Inc.'s, operation of the Landfill and for any expenses incurred by the County in performing any on- and off-site remedial work necessitated by Waste Management's failure to safely operate or maintain the Landfill at a level acceptable to the Director of Public Works or the Department of Public Health's Solid Waste Management Program, acting as the State's Local Enforcement Agency, or Waste Management's failure to perform remedial work in a timely manner.

Implementation of Strategic Plan Goals

The recommended action is consistent with the Countywide Strategic Plan Fiscal Sustainability (Goal 2). Goal 2 emphasizes the County's aim in strengthening and enhancing its capacity to sustain essential County services through proactive and prudent fiscal policies and stewardship.

FISCAL IMPACT/FINANCING

There will be no impact to the County General Fund. Waste Management has submitted an acceptable letter of credit in the amount of \$10 million as security in the event that Waste Management fails to reimburse the County for Covered Expenses or Covered Claims set forth in the Agreement. The Agreement further authorizes the County to draw the full amount of the security and place the drawn amount in a trust fund if Waste Management fails to replace or renew the letter of credit at least forty-five (45) days before expiration or termination of the Agreement. These funds would be reflected as revenue and appropriations in the Solid Waste Management Fund if budgetary authority is subsequently required.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The Agreement is being executed in accordance with Part V of the Implementation and Monitoring Program for the Lancaster Landfill, which is enclosed with the CUP No. 03-170-(5), which was adopted by the Regional Planning Commission on December 14, 2011, and became effective on August 1, 2012.

ENVIRONMENTAL DOCUMENTATION

In accordance with Section 15378(b) (4) of the California Environmental Quality Act Guidelines, approval of the recommended action does not constitute a project and, hence, is not subject to the requirements of California Environmental Quality Act.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

The approval of this Agreement will have no impact on current services or projects.

CONCLUSION

Please return one adopted copy of this letter and two signed copies of the Agreement to the Department of Public Works, Environmental Programs Division.

Respectfully submitted,

A handwritten signature in cursive script that reads "Gail Farber".

GAIL FARBER

Director

GF:KM:dy

Enclosures

c: Chief Executive Office (Rita Robinson)
County Counsel (Julia Weissman)
Department of Public Health (Solid Waste
Management Program)
Department of Regional Planning (Rob Glaser,
Martin Gies)

SECURED INDEMNIFICATION AGREEMENT

THIS SECURED INDEMNIFICATION AGREEMENT (the "**Agreement**") is made and entered into as of the 4th day of June, 2013, by and between the County of Los Angeles, a subdivision of the State of California (the "**County**"), and Waste Management of California, Inc., a California corporation ("**WM**") (hereinafter together referred to as "**Party**" or "**Parties**").

RECITALS

This **Agreement** is made with reference to the following facts:

A. **Waste Management** owns approximately 276 acres of land located at 600 East Avenue F, Lancaster, CA 93535 in the unincorporated territory of the **County** ("**Property**"), within the Lancaster Zoned District. **Waste Management** is the owner of the Class III non-hazardous solid waste landfill currently in operation on the subject Property.

B. **Waste Management** applied for a conditional use permit ("**CUP**") on June 11, 2003, to authorize the continued operation and maintenance of an existing solid waste disposal facility, including a 209-acre disposal footprint; an increase to a maximum permitted daily intake of municipal solid waste (MSW) from 1,700 tons per day to 3,000 tons per day; and with an additional acceptance up to 2,100 tons per day of inert debris, green/wood waste, and recyclables, and beneficial use materials ("**Project**"). A legal description and the approved site plan for the subject property are attached hereto as **Exhibit "A."**

C. On December 14, 2011, the County Regional Planning Commission ("**RPC**") certified the Final Supplemental Environmental Impact Report (SCH No. 1993101036) ("**FSEIR**") with adopted Findings of Fact and a Statement of Overriding Considerations, and approved the CUP No. 03-170-(5) with findings and conditions, which authorized the **Project**. Regional Planning Commission also approved the Implementation and Monitoring Program for the Lancaster Landfill and Recycling Center ("**LLRC**").

D. As part of the approval for the **Project**, Part V of the document titled **IMPLEMENTATION AND MONITORING PROGRAM LANCASTER LANDFILL AND RECYCLING CENTER Attachment to the Conditions of Grant for Conditional Use Permit No. 03-170-(5)**, an attachment to the Conditions of Grant for the **CUP** (the "**Monitoring Program**"), requires that **WM** enter into an agreement with the County ("**Indemnification Agreement**") providing for indemnification of the **County** for certain damages and reimbursement of the **County** for certain expenses; and to secure performance of the **Indemnification Agreement** in the manner set forth herein. This **Indemnification Agreement** is intended to satisfy **WM's** requirements under Part V of the **Monitoring Program**, a true and correct copy of which **Monitoring Program** is attached hereto as **Exhibit "B."**

NOW, THEREFORE, the **Parties** agree as follows:

1. Indemnification Obligation.

Waste Management shall reimburse the expenses of the **County** and each of its supervisors, officials, employees, representatives, agents, attorneys, successors (each an "**Indemnitee**") and shall indemnify, defend, save, and hold harmless each Indemnitee, from and against any and all claims, actions, suits, causes of actions (whether legal, equitable, or administrative), liabilities, losses, costs, demands, damages, attorneys' fees, and other expenses, attributable or in relation to: (a) any damage to public property and environment which may result from operation of the **Project**; and (b) any expenses which may be incurred by the **County** in its performance of any on-site or off-site remedial work resulting from **WM's** failure to operate or maintain the **Project** or any of its systems at a level acceptable to the County's Director of Public Works ("**Director**") or the County's Department of Public Health ("**DPH**") (including, without limitation, work related to the Environmental Protection and Control Systems (as defined in CUP), litter and dust control, noise control, vector control, or maintenance of slopes and drainage structures) at a level that meets the requirements of the **CUP** and **Monitoring Program** and applicable laws and regulations (collectively, hereinafter, "**Covered Expenses**" or "**Covered Claims**").

2. Indemnification Security.

2.1 As security, **WM** shall deliver and tender to the **County** a letter of credit (the "**Letter of Credit**"), or other security acceptable to the **County** (with the Letter of Credit or such other security referred to as the "**Security**") in the form acceptable to the **County**, in the amount of Ten Million Dollars (\$10,000,000) to secure **WM's** obligations under this Agreement, including, without limitation, **WM's** performance of its obligations set forth in Section 1 above. A copy of the initial **Security** is attached hereto as **Exhibit "C"**.

2.2 If the **Security** provides for a term for its expiration or termination, the **Security** shall be automatically renewed, extended, or replaced at least 90 days prior to said expiration or termination, unless **WM** first obtains prior written approval of the expiration or termination of the **Security** from the **County's** governing board, the Los Angeles County Board of Supervisors, or its authorized designee. Notwithstanding the foregoing, if the issuer of the **Security** elects not to renew the **Security** or elects to terminate the **Security** for any reason, the issuer of the **Security** and **WM** shall give notice to the **County** of such expiration or termination at least 90 days prior to such expiration or termination date.

2.3 If **WM** fails to renew, extend, or replace the **Security** at least forty-five (45) days before such expiration or termination date, independent of the provisions of Section 3.3 below, the **County** shall have the right, at its sole and absolute discretion, to draw the full amount of said **Security** and the **County**

shall place the drawn amount in a trust fund within the Treasurer and Tax Collector or similar entity to secure **WM's** performance under this Agreement. If **WM** thereafter posts qualifying replacement **Security**, the **County** shall return the amount of the **Security** remaining in the trust fund to **WM**. In addition, the **County** shall have the right to draw from the **Security** to pay for any and all of the **County's** costs incurred in enforcing this **Agreement** or collecting or administering, any amounts of the **Security**.

3. Security Claims and Opportunity to Cure.

3.1 Except in connection with the expiration or termination of the **Security**, should any act or omission lead to a demand or **Covered Claim** against **WM** pursuant to Section 1 above, the **County** shall give **WM** written notice of the demand or **Covered Claim** and the remediation desired by the **County**. **Waste Management** shall remedy the demand or **Covered Claim** within thirty (30) calendar days from the date that the **County** provides **WM** such notice, unless the **County** determines that sooner remediation is necessary to protect public health, safety, or the environment and notifies **WM** of the same in the **County's** written notice.

3.2 **Waste Management** shall pay the **County** the full amount of any **Covered Expense** within thirty (30) calendar days from the date that **County** may provide any notice of the demand or **Covered Expense**.

3.3 Notwithstanding the foregoing or any other provision in this Agreement, failure by the **County** to provide written notice to **WM** of a **Covered Claim** or **Covered Expense** shall not constitute waiver by the **County** of any of the **County's** rights or remedies under this **Agreement**, in law or in equity.

3.4 If **WM** fails to cure as described under Section 3.1 or to reimburse as described under Section 3.2, the **County** shall have the right to draw upon the **Security** for the full amount of the demand, **Covered Claim** and/or **Covered Expenses**.

4. Termination of this Agreement and Return of the Security.

This **Agreement** shall terminate and the **Security** shall be released, and if applicable, returned to **WM** or the appropriate party, free and clear of all claims under this **Agreement**, upon the occurrence of all of the following events: (a) closure and Post-Closure Maintenance of the **Project** is completed as required by law and to the satisfaction of Federal, State, and local agencies with applicable jurisdiction, including, without limitation, the California Department of Resources Recycling and Recovery (CalRecycle), the California Regional Water Quality Control Board, the California Department of Toxic Substances Control Board, and the DPH, acting as the County's Local Enforcement Agency; (b) **Waste Management** provides a written notice to the Director of such satisfactory

completion of closure and Post-Closure Maintenance; (c) any required remediation and foreseeable corrective action constituting a **Covered Claim** has been resolved; (d) **Waste Management** has paid the **County** for all **Covered Expenses**; and (e) the Director determines that the **Project** constitutes no threat to public health, safety, or to the environment.

5. Miscellaneous.

5.1. Successors and Assigns. This **Agreement** shall (a) be binding upon **WM** and its successors and assigns, and (b) inure to the benefit of and be enforceable by the County and its successors and assigns. **Waste Management** shall be released from all further responsibility or liability under this **Agreement** upon any transfer of the **Project** only upon the transferee assuming **WM's** responsibilities under this Agreement and posting replacement **Security** acceptable to the County. In the event of any change in operator or control of ownership of the Property, **WM** must:

5.1.1 Notify the County, in writing, of such change within ten calendar days;

5.1.2 Notify the succeeding owner and operator by letter, a copy of which shall be filed with the County, of the existence of this Agreement; and

5.1.3 The new owner and operator shall jointly submit a written report to the County within 30 days of the change of ownership detailing measures that will be implemented to insure compliance with requirements of this Agreement.

5.2 Modification or Waiver of this Agreement. This **Agreement** is intended by the **Parties** hereto as a final expression of their agreement and understanding with respect to the subject matter hereof and, together with the terms of the **Security**, is intended as a complete and exclusive statement thereof. No modification or waiver of any provision of this **Agreement** shall be effective unless the same shall be in writing and signed by the **County** and **WM**. Any modification or waiver referred to in this Section 5.2 shall be effective only in the specific instance and for the specific purposes for which given.

5.3 No Waiver of Rights by the County; Cumulative Rights. No course of dealing, or failure, or delay on the part of the **County** in exercising any right, power, or privilege hereunder shall preclude any other or further exercise or the exercise of any right, power, or privilege. The **County's** remedies under this **Agreement** are cumulative and are not intended to be exclusive of any other remedies or means of redress to which the **County** may be lawfully entitled.

5.4 Severability. In case any one or more of the provisions contained in this **Agreement** should be deemed invalid, illegal, or unenforceable in any respect, the validity, legality, and enforceability of the remaining provisions contained herein shall not in any way be affected or impaired thereby.

5.5 Governing Law. This **Agreement** shall be construed in accordance with and governed by the substantive laws, and not the conflicts of laws, of the State of California.

5.6 Dispute Resolution; Attorneys' Fees. The parties agree that any disputes arising out of related in any way to this **Agreement**, including a breach of this **Agreement**, or shall be filed exclusively in the State courts in Los Angeles County, California. The parties consent and agree to the jurisdiction of such courts. Neither party will argue or contend that it is not subject to the jurisdiction of such courts or that venue in Los Angeles County, California is improper. The parties agree to waive any right to a trial by jury in any such dispute and that the matter will be tried solely by the court. The parties understand that they are giving up valuable legal rights under this provision, including the right to trial by jury, and that they voluntarily and knowingly waive those rights.

5.7. Notices. All notices and communications hereunder shall be given by hand delivery, with a receipt being obtained therefor, or by United States certified or registered mail. Notices and communications hereunder shall be effective when received and shall be sent to the following addresses (or to such other addresses of such either Party hereto notify the other Party in accordance herewith):

COUNTY: County of Los Angeles
Department of Public Works
900 South Fremont Avenue, Annex 3rd Floor
Alhambra, California 91803-1331
Attention: Environmental Programs Division

with copies to: County of Los Angeles
Office of the County Counsel
648 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012-2713
Attention: Public Works Division

County of Los Angeles
Department of Regional Planning
320 West Temple Street, 13th Floor
Los Angeles, California 90012-3141
Attention: Zoning Enforcement North Section

WASTE MANAGEMENT: Lancaster Landfill and Recycling Center
1200 West City Ranch Road
Palmdale, California 93551-4456
Attention: General Manager

with copies to: Waste Management of California, Inc.
Western Group Office
7025 North Scottsdale Road, Suite 200
Scottsdale, AZ 85253-3675
Attention: Group General Counsel

5.8 Further Instruments. From time-to-time, the **Parties** hereto shall each execute and deliver in recordable form, if necessary, such further instruments and shall take such other action as the other **Party** reasonably may request in order to discharge and perform their respective covenants and obligations under this **Agreement**.

5.9 No Third-Party Beneficiaries. This **Agreement** is made exclusively for the benefit and solely for the protection of the **County** and **WM**, and no other person or persons shall have the right to enforce the provisions hereof by action or legal proceedings or otherwise. The only **Parties** to this **Agreement** are the **County** and **WM** and their respective authorized successors-in-interest. There are no third-party beneficiaries.

5.10 Definitions. Unless otherwise defined in this **Agreement**, all terms used shall be as defined in the **CUP**.

IN WITNESS WHEREOF, the **Parties** hereto have caused these respective officers thereunto authorized as of the date first above written.

WASTE MANAGEMENT OF CALIFORNIA, INC.

Operator

By: _____

Title



COUNTY OF LOS ANGELES

By *Mark Ridley-Thomas*
Chairman, Board of Supervisors

ATTEST:

SACHI A. HAMAI
Executive Officer of the
Board of Supervisors of the
County of Los Angeles

By *Antia*
Deputy

I hereby certify that pursuant to
Section 25103 of the Government Code,
delivery of this document has been made.

SACHI A. HAMAI
Executive Officer
Clerk of the Board of Supervisors

By *Antia*
Deputy

APPROVED AS TO FORM:

JOHN F. KRATTLI
County Counsel

By *Julia Weissman*
Deputy

ADOPTED
BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

66

JUN 4 2013

Sachi A. Hamai
SACHI A. HAMAI
EXECUTIVE OFFICER

77956



RECORDING REQUESTED BY

Department of Regional Planning
320 West Temple Street
Room 1360, Hall of Records
Los Angeles, California 90012

AND WHEN RECORDED MAIL TO

Name: Waste Management of
California, Inc.
Street: 600 E. Avenue F.
City: Lancaster, 93535

SPACE ABOVE THIS LINE FOR RECORDER'S USE

CERTIFICATE OF COMPLIANCE**REQUEST FOR CERTIFICATE OF COMPLIANCE**

I/We the undersigned owner(s) of record (and/or vendee(s) pursuant to a contract of sale) in the following described property within the unincorporated territory of the County of Los Angeles, hereby REQUEST the County of Los Angeles to determine if said property described below complies with the provisions of the Subdivision Map Act (sec. 66410 et seq., Government Code, State of California) and the Los Angeles Code, Title 21 (Subdivisions)

Signature

John Workman

Name (Typed or Printed)

7.13.02

Date

Signature

Name (Typed or Printed)

Date

Signature

Name (Typed or Printed)

Date

LEGAL DESCRIPTION

- 1) The North 20 acres of the West 80 acres of the Northeast quarter and the East one-half of the Northeast one-quarter of Section 35, Township 8 North, Range 12 West of the San Bernardino meridian, according to the official plat of the survey of said land on file in the United States Government Bureau of Land Management at Los Angeles, California.
- 2) That portion of the South half of the Northeast quarter of Section 10, Township 7 North, Range 12 West, San Bernardino meridian, in the County of Los Angeles, State of California, according to the official plat of said land filed in the District Land Office on January 14, 1882.
- 3) The East 5 acres of the South 60 acres of the West 80 acres of the Northeast Quarter of Section 35, Township 8 North, Range 12 West, San Bernardino Meridian, in the County of Los Angeles, State of California, according to the official plat of said land.
Parcel No. 3175-003-008

CERTIFICATE OF COMPLIANCE

CONTINUATION

- 4) An undivided one-third (1/3) interest in: The westerly 3 acres of the easterly 38 acres of the south 60 acres of the west 80 acres of the northeast quarter of Section 35, Township 8 North, Range 12 West, San Bernardino Meridian, In the County of Los Angeles, State of California, according to the official plat of said land. **Parcel No. 3175-003-004**
- 5) The westerly 11 (eleven) acres of the east 49 acres of the south 60 acres of the west 80 acres of the northeast quarter of Section 35, Township 8 North, Range 12 West, S. B. B. M., according to the Official Plat of said land on file. **Parcel No. 3175-003-003**
- 6) The westerly 11 (eleven) acres of the southerly 60 acres of the west 80 acres of the northeast quarter of Section 35, Township 8 North, Range 12 West, S. B. B. M., according to the Official Plat of said land on file. **Parcel No. 3175-003-002**
- 7) The Westerly 10 acres of the Easterly 25 acres of the South 40 acres of the West 80 acres of the Northeast quarter of Section 35, Township 8 North, Range 12 West, in the County of Los Angeles, State of California, according to the official plat of said land approved by the Surveyor general dated June 19, 1856. **Parcel No. 3175-003-006**
- 8) The Westerly 10 acres of the Easterly 15 acres of the South 60 acres of the West 80 acres of the Northeast quarter of Section 35, Township 8 North, range 12 West, San Bernardino Meridian, according to the official plat of the survey of said land on file in the Bureau of Land Management. **Parcel No. 3175-003-007**
- 9) The Westerly 10 acres of the Easterly 35 acres of the South 60 acres of the West 80 acres of the Northeast quarter of Section 35, Township 8 North, Range 12 West, San Bernardino Meridian, according to the official plat of said land. **Parcel No. 3175-003-005**
- 10) The northwest quarter of the northwest quarter of Section 36, Township 8 North, Range 12 West, S.B.M., and the northeast quarter of the northwest quarter of said section. **Parcel No. 3175-007-900**
- 11) The south 30 acres of the northwest quarter of the northeast quarter of Section 36, Township 8 North, Range 12 West, S. B. M. **Parcel No. 3175-008-900**
- 12) The northwest quarter of the northwest quarter of Section 36, Township 8 North, Range 12 West, S. B. M., and the northeast quarter of the northwest quarter of said section. **Parcel No. 3175-007-900**
- 13) The east half of the Southwest Quarter of the Northeast Quarter of the Southeast Quarter of Section 35, Township 8 North, Range 12 West, San Bernardino Meridian, in the County of Los Angeles, State of California, according to the official plat of said land.
- 14) The south half of the west half of the Southeast Quarter of the Northeast Quarter of the Southeast Quarter of Section 35, Township 8 North, Range 12 West, San Bernardino Meridian, in the County of Los Angeles, State of California, according to the official plat of land. **Parcel No. 3175-006-028**

CERTIFICATE OF COMPLIANCE

CONTINUATION

- 15) The Northwest one quarter of the Northeast one quarter of the Northeast one quarter of the Southeast one quarter of Section 35, Township 8 North, Range 12 West, San Bernardino Meridian, in the County of Los Angeles, State of California according to the official plat of said land. **Parcel No. 3175-006-010**
- 16) The east one-half of the Southeast one-quarter of the Northeast one-quarter of the Southeast one-quarter of Section 35, Township 8 North, Range 12 West, S. B. B. & M. **Parcel No. 3175-006-012**
- 17) The North half of the West half of the Southeast quarter of the Northeast quarter of the Southeast quarter of Section 35, Township 8 North, Range 12 West, San Bernardino Meridian, in the county of Los Angeles, State of California, according to the official plat of said land. **Parcel No. 3175-006-027**

IMPLEMENTATION AND MONITORING PROGRAM

LANCASTER LANDFILL AND RECYCLING CENTER

Attachment to the Conditions of Grant for Conditional Use Permit Number 03-170-(5)

PURPOSE. This Implementation and Monitoring Program ("IMP") is intended to implement and ensure compliance with the Conditions of Approval of this grant and to complement the enforcement and monitoring programs routinely administered by County agencies and non-county public agencies.

PART I - LANDFILL ELEVATIONS. The following measures shall be carried out to monitor compliance with Conditions Nos. 5, 6, 14, 27, 28, 30, 39, 40, 41, 42, 46, and 64 of this grant, which establish the Limits of Fill.

- A. Within 180 days of the Effective Date of this grant, the Permittee shall install survey monuments around the perimeter of the Landfill, as depicted on Exhibit "A" and as established by the limits of Condition No. 6.

The specific spacing, location, and characteristics of the survey monuments shall be as specified by the Director of Public Works and shall be at points where they will not be subject to disturbance of Landfill development.

The survey monuments shall be inspected and approved by the Director of Public Works after installation, and the "as installed" plan shall be provided to DPH and to the Director of the Department.

Not less than 60 nor more than 180 days before the deadline for the annual monitoring report required by Part X of this IMP, the Permittee shall cause a licensed surveyor or registered civil engineer to conduct a survey of the Landfill's elevations and submit the results to the Director of Public Works for approval. Additional elevation surveys shall also be conducted by either of these professionals under the following circumstances: 1) in the event of an earthquake of magnitude (Richter) 5.0 or greater within 25 miles of the Facility; 2) as directed by the Director of Public Works or the DPH as he or she deems necessary; or 3) upon completion of the Landfill's final fill design. Any apparent violation revealed by the survey shall be promptly reported to the Director of the Department.

- B. If the Director of Public Works approves grading or other disturbance in areas outside the Limits of Fill shown on Exhibit "A" pursuant to Condition No. 39 of this grant, the Director shall refer a copy of such approval to the Director of the Department and the DPH.

PART II – WASTE PLAN CONFORMANCE. The provisions of this Part II are intended to ensure compliance with the provisions of Condition Nos. 30, 31, 32, 33, 34, and 35 of this grant, and to conform Landfill operations with the Los Angeles County Countywide Integrated Waste Management Plan adopted pursuant to Division 30 of the Public Resources Code.

- A. The Permittee shall ensure the proper installation and maintenance of scales to verify the weight of Solid Waste received, disposed of, used for Beneficial Use Materials at the Facility, and/or otherwise diverted and sent off-site for further handling and/or processing. The Permittee shall maintain records necessary to document the following: (1) the aforementioned weights; and (2) compliance with waste restrictions imposed pursuant to the conditions of this grant.

PART III – WASTE ORIGIN DATA ACCURACY. The provisions of this Part III are intended to ensure compliance with the provisions of Condition 31 of this grant. The Permittee shall adopt measures at the Facility to ensure the accuracy of the Solid Waste quantity allocated to County unincorporated areas. These measures shall apply to those customers of the Permittee who identify the source or origin of all or a portion of their waste loads as County unincorporated area, and shall become effective within 90 days after the Effective Date. Under these measures:

- A. The Permittee shall require written and verifiable documentation on source jurisdiction(s) and site address(es) where the Solid Waste is generated for loads from waste hauling industry customers ("Direct Haul Loads"), and written and verifiable documentation on source jurisdiction(s) for loads from transfer/processing facilities ("Transfer/Processing Loads"), the documentation of which shall be in a form developed by the Department of Public Works and distributed by the Permittee to its customers;
- B. The Permittee shall exempt from such documentation all customers tendering a minimum load, defined as a load having a net weight of less than 1 ton. However, such customers shall continue to verbally state the source of their loads;
- C. The Permittee shall investigate and verify the accuracy of all documentation provided for Direct Haul Loads from Solid Waste enterprises/waste haulers owned or operated by the Permittee, its subsidiaries, or affiliated enterprises;
- D. The Permittee shall forward all documentation for Transfer/Processing Loads to the Department of Public Works for review and verification;
- E. Upon request, the Permittee shall forward all documentation within 30 days for Direct Haul Loads from Solid Waste enterprises/waste haulers owned or operated by the Permittee, its subsidiaries, or

affiliated enterprises, to the Department of Public Works for review and verification;

- F. If the Director of Public Works determines a Solid Waste enterprise, waste hauler, or transfer/processing operator that is owned or operated by the Permittee, its subsidiaries, or affiliated enterprises has failed to substantiate the origin of the Solid Waste that was reported to have originated in County unincorporated area, the Director shall notify and direct the Permittee to impose a non-refundable penalty of \$5.00 per ton. The penalty shall be based on all Solid Waste tonnage allocated to the County unincorporated area by the Solid Waste enterprise, waste hauler, or transfer/processing operator for that reporting period, which shall not exceed 1 month. The Permittee shall be responsible for collecting the fine and submitting it to the Department of Public Works within 60 days following such notification. The fines received by the Department of Public Works shall offset the cost of administering the waste origin verification program and of implementing other programs to mitigate the damages the County incurred under the California Integrated Waste Management Act of 1989, as amended, from such misallocation;
- G. If the Permittee or the Director of Public Works determines that the origin of a waste load has been incorrectly reported, the Permittee shall correct the data submitted to the disposal reporting system to ensure its accuracy.

Prior to the implementation of the above measures, the Permittee shall, subject to the approval of the Director of Public Works, develop a waste origin verification and reporting program to include, but not be limited to, an outreach program to educate all customers of the Facility regarding the need to provide waste origin information, the requirements of the measures adopted pursuant to this Part III, and an explanation of the consequences for failure to comply with the measures. After the effective date of the adopted measures, the Permittee shall provide a 90-day grace period to its customers prior to taking any enforcement action to provide time for customer education on these measures. Based on the initial results obtained from the verification and reporting program, these measures may be amended or modified by the Director of Public Works. The Director of Public Works shall have the discretion to terminate the verification and reporting program at any time.

On a monthly basis, the Permittee shall submit the results of the verification and reporting program to the Director of Public Works, along with any other written documentation on the waste load transactions at the Facility.

PART IV – HAZARDOUS WASTE EXCLUSION. This Part IV ensures compliance with Condition No. 36, 37, and 38 of this grant regarding the exclusion of liquid, radioactive and hazardous waste from the Facility.

The Permittee shall maintain a comprehensive waste load checking program which shall require that:

- A. All waste hauling vehicles shall be screened at the scales with a radiation detector device, acceptable to the DPH, for the presence of radioactive materials;
- B. Sensors and/or monitoring equipment capable of detecting volatile organic compounds acceptable to the DPH shall be available at the Facility and used as directed by the DPH;
- C. The scale operator shall question all drivers of suspect loads as to the source and nature of the loads, and shall inspect for contamination all large loads of earth brought into the Facility from areas not known to be free of contamination;
- D. The Landfill's Working Face areas shall be continuously inspected for hazardous and liquid waste, medical waste, and radioactive waste/materials. This inspection shall be accomplished by equipment operators and spotters who have been trained through an inspection program approved by the DPH;
- E. Unless otherwise specified by DPH, the Permittee shall conduct at least 3 manual inspections of randomly selected incoming Refuse loads each operating day, for a minimum of 18 inspections per week. In addition, the Permittee shall conduct a series of 6, intensive unannounced manual inspections of Refuse loads over a 12-month period during the life of this grant; and
- F. If on the basis of above-described inspections, the DPH determines that significant amounts of prohibited waste are entering the Facility, the DPH may require an expanded inspection program, which may include additional, unannounced manual inspections.

PART V – INDEMNIFICATION AGREEMENT. Within 180 days after the Effective Date, the Permittee shall enter into an agreement with the County indemnifying the County for any damages to public property and environment which may result from Landfill operations and for any expenses which may be incurred by the County in performing any on- and/or off-site remedial work necessitated by the Permittee's failure to operate or maintain the Facility at a level acceptable to the Director of Public Works or the DPH, or for the Permittee's failure to perform any of this work in a timely manner. The work covered by this indemnification shall include, but not be limited to, work related to the Environmental Protection and Control Systems, litter and dust control, noise control, vector control, and maintenance of slopes. The standards for operation and maintenance shall be as established by the provisions of this grant and all applicable laws and implementing regulations.

To secure performance of the agreement, the Permittee shall tender to the Director of Public Works a trust fund or other security acceptable to the County in the amount of \$10 million. Any interest earned in the account shall remain in the trust fund to offset the cost of inflation. The Permittee may gradually build the trust fund with tipping fees, however, until the fund reaches \$10 million, the Permittee shall tender to the Director of Public Works a letter of credit or other security acceptable to the County in the amount of \$10 million.

The security shall be in addition to any and all other security required by federal, state and local law, regulations and permits, including the security requirements of this grant and of the State landfill closure regulations.

PART VI - BIOLOGICAL/HORTICULTURAL MONITORING. This Part VI is intended to promote compliance with the provisions of Condition Nos. 46 and 57 of this grant concerning on-site planting, revegetation, and maintenance.

- A. Before using this grant, the Permittee shall retain a horticulture/forester consultant to supervise the on- and off-site slope planting and Joshua tree mitigation programs required by this grant and this IMP. The consultant shall be approved by the County Forester.

This consultant shall have the requisite education, training, experience, and professional standing to carry out the specific requirements of the position, as evidenced by appropriate licensing, registration and/or academic standing in the field of horticulture/forestry.

- B. In addition to the horticulture/forester consultant, prior to using this grant, the Permittee shall retain the services of a biology consultant, whose duties shall include: (a) the periodic review of any updated listings of threatened and endangered species contained in the Federal Register for purposes of determining whether species existing at the Facility have been re-classified with a "Category 1" status; and (b) participating in the revegetation program adopted for the Landfill.

This consultant shall have the requisite education, training, experience and professional standing to carry out the specific requirements of the position, as evidenced by appropriate licensing, registration and/or academic standing in the field of biology.

- C. If any retained consultant pursuant to this Part VI terminates employment at any time during the life of this grant, including during the Post Closure Maintenance Period, a replacement consultant shall be retained and approved as provided in this Part.

The Permittee shall create and maintain adequate records to track fill areas in accordance with the California Regional Water Quality Control Board requirements.

These records shall indicate fill areas transferred to an inactive status which are potentially subject to the requirements of Condition Nos. 46 and 57. The Permittee shall make copies of such records available to the horticulture/forester consultant, DPH, the County Forester and other interested regulatory agencies, when a Landfill area becomes inactive.

PART VII – ARCHEOLOGICAL/PALEONTOLOGICAL MONITORING. The Permittee shall implement the monitoring program described in this Part VII to conserve archaeological and paleontological resources as required by Condition No. 75 of this grant.

- A. Before commencing grading activities in previously undisturbed areas, the Permittee shall nominate to the Director of the Department, both a certified archaeologist and a qualified paleontologist from the Society of Professional Archaeologists which the Permittee intends to retain to perform the monitoring and conservation work required by this Part VII and Condition No. 75 of this grant. If approved by the Director of the Department, the archaeologist and paleontologist shall both submit a letter to the Director stating that he/she has been retained to perform or supervise the work described herein, and that he/she agrees to report any failure of compliance with this grant or this Part VII to the Director.
- B. The archaeologist and the paleontologist shall each submit a written report to the Permittee to be included in the Permittee's annual monitoring report required by Part X of this IMP for as long as on-site excavation activity continues at the Facility, or upon the respective expert's termination of employment, in which case the report shall be submitted to the Director of the Department.
- C. If either the archaeologist or paleontologist terminates employment before completion of the excavation work associated with the Facility, a replacement expert shall be selected, approved, retained and certified as described in this Part VII.

PART VIII – ANCILLARY FACILITIES. This Part VIII is intended to enhance compliance with Condition Nos. 5 and 20 of this grant concerning the Ancillary Facilities at the Facility, and to verify that such Ancillary Facilities are consistent with the other conditions of this grant and with the provisions of Title 22 of the Los Angeles County Code ("County Zoning Ordinance").

Before commencing development or obtaining a building permit for any Ancillary Facility, the Permittee shall submit to the Director of the Department a site plan for such Ancillary Facility. The plan shall be in sufficient detail to establish compliance with the conditions of this grant and with the standards of the County Zoning Ordinance, including the provisions relating to the development and maintenance of

parking, screening and signs, as set forth in Chapter 52 of the County Zoning Ordinance.

PART IX – COMMUNITY ADVISORY COMMITTEE. The Community Advisory Committee ("CAC"), appointed by the Board, shall continue to serve as a liaison between the Permittee and the community, and as a conduit for the community to communicate with the Commission and other regulatory agencies on an ongoing basis regarding issues involving the development and operation of the Facility. The CAC shall be composed of persons who reside in the vicinity of the Facility and who are recommended by recognized community and neighborhood associations. The Fifth Supervisorial District shall have the right to designate an ombudsman for the purposes of providing information to local residents regarding landfill operation, obtaining community input and responding to community concerns. The ombudsman shall be a representative of the community or a member of the CAC. The ombudsman shall provide quarterly reports to the Fifth Supervisorial District, with copies to the Department, Director of Public Works, the DPH, and the CAC. The Permittee shall provide the ombudsman reasonable access to the landfill site and information concerning landfill operations as necessary for the ombudsman to perform its functions.

For the life of this grant, the Permittee shall continue to do the following regarding the CAC:

- A. Provide qualified personnel to regularly attend CAC meetings;
- B. Provide the CAC reasonable access to the Facility and information concerning Landfill operations necessary for the CAC to perform its functions;
- C. Provide accommodations for CAC meetings;
- D. Within 90 days after the Effective Date, provide \$20,000 of funding for CAC-related activities and for the CAC to retain independent consultants for CAC-related matters, provided that all consultants shall have the requisite education, training, and experience to undertake the work and shall have no conflict of interest with the Permittee or any member of the CAC. The Permittee shall deposit the fund in an account to be maintained by the Department for the CAC. The Permittee shall replenish the fund by July 1 of each year to bring the balance up to the amount of the initial deposit (\$20,000).

The CAC shall be provided access to all reports submitted by the Permittee to any and all regulatory agencies required under this grant, including the annual monitoring report required by Part X of this IMP. The Permittee shall also consult the CAC on planning matters that could affect the physical development or future use of the Facility.

PART X – MONITORING REPORTS. This Part X is intended to enhance the continuing oversight of Landfill operations and to supplement the routine enforcement activities of the various regulatory agencies having jurisdiction over the development, operation, and maintenance of the Facility.

A. By January 31 of each year until the Landfill's Closure, the Permittee shall prepare and submit annual monitoring reports to the Commission. At least 60 days prior to that date, draft copies of the report shall be submitted to the following entities for review and comment:

1. DPH;
2. Director of the Department;
3. Director of Public Works;
4. Los Angeles County Forester and Fire Warden;
5. Regional Water Quality Control Board-Los Angeles Region;
6. Antelope Valley Air Quality Management District;
7. County Museum of Natural History; and
8. Community Advisory Committee;

The draft submittal to the above-referenced entities shall include a request that comments be sent to the Permittee within 30 days of receipt of the draft report, but no later than 15 days prior to the deadline for the final report. The Permittee shall provide documentation to the Director of the Department that the draft reports have been submitted to these entities.

The Permittee shall respond to each comment received by these entities and shall include every comment and response with the final report submitted to the Commission and the Technical Advisory Committee, as described in Part XII of this IMP. A copy of the final report shall be provided to the local county library and posted on the Permittee's website.

Upon receipt of the monitoring report, the Commission may request the Permittee to submit additional information as it deems necessary to carry out the purposes of this IMP.

B. Each monitoring report shall contain, at a minimum, the following:

1. A cumulative total of all Solid Waste disposed of at the Landfill , the percent of total available capacity used, the remaining

disposal capacity in volume and in tons, and a detailed site map/plan showing the sequence of Landfill operations;

2. A copy (which may be reduced and simplified to fit the report format) of the most recent approved Landfill survey (as required in Part I of this IMP) showing the Limits of the Fill and the height and extent of the current fill;
3. The achieved ratio of weight to volume of Solid Waste disposed of at the Landfill and a comparison of that ratio with the ratio achieved at comparable landfills in the County, with an explanation of any significant deviation;
4. A summary of the rates (quantity per month) of Solid Waste received, disposed of, used for Beneficial Use Materials at the Facility, and/or otherwise diverted and/or sent off-site for further handling/processing, for the period established by the Director of Public Works, or from the last monitoring report, in sufficient detail to explain significant changes and variations of the rates over time;
5. A summary of the measures taken by the Permittee to divert Beneficial Use Materials and Construction and Demolition Debris at the Facility, how the measures compare with waste management plans adopted by the County and various cities, and the overall effectiveness of such measures in achieving the intent of this grant and the County's waste management plans;
6. A summary of the number and character of litter, noise, fugitive dust, and odor complaints received in the reporting period, the disposition of such complaints, and any new or additional measures taken to address or avoid future complaints , as detailed in Condition Nos. 53, 54, 57, and 103;
7. A detailed accounting of any and all citations the Facility received from any regulatory agency for violations in operating the Facility (including violations related to litter, odor, fugitive dust, noise, Landfill gas, or other Environmental Protection and Control Systems), the disposition of the citations, and the penalties assessed and fees paid;
8. A report on all interim and final fill revegetation, including an assessment of the success of such revegetation and any additional measures necessary or proposed to effect successful revegetation;

9. The archaeological and paleontological reports required in Part VII;
 10. A summary of the measures taken by the Permittee to promote and implement alternative technologies most appropriate for the Antelope Valley and Southern California from an environmental and economic perspective, as required by Condition No. 95 and 102 of this grant;
 11. A summary of the measures taken by the Permittee to develop transportation improvements in the surrounding areas of the Facility, as required by Condition No. 61 of this grant;
 12. A summary of the measures taken by the Permittee to minimize truck traffic at the Facility as required by Condition Nos. 32, 58, 59, and 60 of this grant; and
 13. A summary of the measures taken by the Permittee to utilize Landfill gas to generate energy at the Facility as required by Condition No. 49 of this grant.
- C. Nothing in this Part X shall be construed in any way to limit the authority of a Hearing Officer, the Commission, or the Board to initiate any proceeding to revoke or modify this grant as provided in Condition No. 18 of this grant or under Part 13, Chapter 56, of the County Zoning Ordinance.

PART XI – COMPENSATION. The Permittee shall compensate all involved County departments for the expenses incurred in the administration of this grant, including the administration of this IMP and the Mitigation Monitoring and Reporting Summary ("MMRS") in the project's supporting environmental documentation, not otherwise covered by the fees paid for administration of the SWFP for the Facility. Such compensation shall be computed using the actual hours expended multiplied by the most current applicable hourly rates available at the time that the expenses are incurred, as approved by the County Auditor-Controller. The expenses of the DPH shall include its personnel, equipment, and transportation costs.

PART XII – TECHNICAL ADVISORY COMMITTEE ("TAC"). An ad hoc committee of County departments, chaired by the Director of the Department or his/her designee, shall be established for the purpose of reviewing, coordinating, and certifying the satisfactory implementation and/or completion of the plans, permits, and/or agreements required and/or authorized by this grant, including the implementation and/or completion of the Conditions of Approval, this IMP, and the MMRS.

- A. **Composition.** The TAC shall be composed of representative(s) of the following County departments, and other County departments on an as-needed basis:

1. DPH;
2. The Department;
3. The Department of Public Works; and
4. The Forester and Fire Warden;

- B. Meeting/Purposes. The TAC shall meet at least once a year to ensure the purposes of the conditions of this grant are satisfied and to ensure compliance with the approvals and regulations of State and Federal agencies that regulate and permit the Facility. The TAC's annual meeting shall be conducted to review the annual report submitted by the Permittee as required by Part X of this IMP and to certify that all requirements of the conditions of this grant have been met as reflected in the annual report. The TAC shall review specific requests from the CAC regarding compliance with this grant.

In addition to any other TAC requirement of this Part XII, the TAC, upon application of the Permittee, shall determine compliance with this grant: 1) within 6 months after the Effective Date; 2) prior to the Permittee's development of the Project (excluding final approval of plans, permits and agreements); and/or 3) prior to the Permittee's commencement of the Closure process. The TAC shall meet for this purpose and if all of the conditions and requirements of this grant have been met for purposes of commencing any of these phases of the project, the TAC shall certify compliance. The TAC may consult with other regulatory agencies in carrying out its duties.

- C. Access to the Facility and Information. The Permittee shall provide access to the TAC and its independent consultant(s) to all areas of the Facility during normal hours of operation and shall respond to all information requests from the TAC in a timely manner as specified by the TAC regarding compliance with the conditions of this grant and the MMRS.
- D. The Permittee may appeal an adverse determination of the TAC to the Director of the Department, whose decision shall be final.



1001 Fannin, Suite 4000
Houston, Texas 77002
Phone: (713) 512-6536
Fax: (866) 239-7964
E-mail: dmeals@wm.com

Memorandum

DT: January 7, 2013

UPS Priority

TO: Nicole Stetson (661) 223-3418
Waste Management of California, Inc.
600 East Avenue F
Lancaster, CA 93535

FR: Donna L. Meals 
Director, Financial Assurance

RE: Los Angeles County Dept. of Public Works

Enclosed is Letter of Credit Number IS0019225U you recently requested. Please keep a copy for your file and forward the original to the Obligee/Beneficiary.

If you have any questions, please feel free to contact me at 713-512-6282.

Enclosures

cc: Ruby Lopez, WMI

/rl

Irrevocable Standby Letter Of Credit

Number: IS0019225U
Issue Date: January 4, 2013

Place and Date of Issue: San Francisco, California
Dated: January 4, 2013

Amount: US\$ 10,000,000.00 (Ten Million and 00/100s United States Dollars)

Applicant: Waste Management of California, Inc.
600 East Avenue F
Lancaster, CA 93535

Expiration January 4, 2014

Beneficiary:
Department of Public Works
County of Los Angeles
Attn: Fiscal Division Chief
900 South Fremont
Alhambra, California 91803 -1331

Reference Number: CUP03-170-(5)

Ladies and Gentlemen:

By order of Waste Management of California, Inc., we are instructed to open an irrevocable Letter of Credit in your favor for U.S. \$ 10,000,000.00

Documents Required:

We undertake that drawing under this Letter of Credit will be honored upon presentation of the below document drawn on Wells Fargo Bank, N.A. at One Front Street, 21st Floor, San Francisco, California 94111.

Partial drawings on this Letter of Credit by the beneficiary are permitted.

Any claims under this letter shall be presented in the following manner:

Together we'll go far



The County's written statement signed by the Fiscal Division Chief of the Department of Public Works that the amount of this draft or a portion thereof is due and payable.

The above statement will be all that is required to certify that the amount set forth under Wells Fargo Bank, N.A. Letter of Credit Number IS0019225U dated this date or any part thereof is due and payable to you.

It is a condition of this Letter of Credit that it shall be deemed to be automatically extended without amendment for one (1) year from the present or any future expiration date hereof, unless at least ninety (90) days prior to any such expiration date we shall notify the Department of Public Works Fiscal Division Chief by registered letter or express courier that we elect not to consider this letter of Credit renewed for such additional one (1) year period. Notice hereunder shall be deemed to have been given when receipt is acknowledged by the Department of Public Works Fiscal Division Chief or a person acting in such capacity. Upon receipt of such notice you may draw on said Letter of Credit.

This Letter of Credit may be released in whole or in part at any time by the County of Los Angeles upon our receipt of a written notice signed by the Fiscal Division Chief.

Except as otherwise expressly stated herein, this Standby Letter of Credit is subject to the International Standby Practice 1998, International Chamber of Commerce Publication No. 590, and in the case of any conflict between such laws and the ISP, the laws of the State of California will control.

Wells Fargo Bank, N.A.

By: 

Authorized Signature

Name:

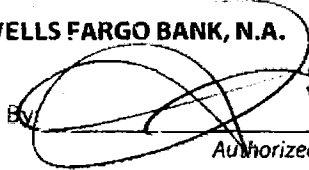
DAWN SHINSATO

Title:

VICE PRESIDENT

Very Truly Yours,

WELLS FARGO BANK, N.A.

 **JAI R. CHAUDHARY**
Authorized Signature
VICE PRESIDENT

The original of the Letter of Credit contains an embossed seal over the Authorized Signature.



Please direct any written correspondence or inquiries regarding this Letter of Credit, always quoting our reference number, to **Wells Fargo Bank, National Association**, Attn: U.S. Standby Trade Services

at either One Front Street
MAC A0195-212,
San Francisco, CA 94111

or 401 Linden Street
MAC D4004-017,
Winston-Salem, NC 27101

Phone inquiries regarding this credit should be directed to our Standby Customer Connection Professionals

1-800-798-2815 Option 1
(Hours of Operation: 8:00 a.m. PT to 5:00 p.m. PT)

1-800-776-3862 Option 2
(Hours of Operation: 8:00 a.m. EST to 5:30 p.m. EST)

Together we'll go far

